

**CONFERENCE COMMITTEE REPORT
DIGEST FOR ESB 523**

Citations Affected: None.

Synopsis: 1977 fund service purchase. Conference committee report for ESB 523. Allows certain members of the 1977 police officers' and firefighters' pension and disability fund to purchase at full actuarial cost additional service credit needed for the member to retire with a full unreduced benefit. Permits the member's employer to adopt an ordinance to pay all or part of the member's contributions required for the purchase of the service. **(This conference committee report removes language that includes in the pension base for a police officer or firefighter that part of the officer's clothing allowance that exceeds \$600.)**

Effective: July 1, 2003.

Adopted

Rejected

CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill No. 523 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT concerning pensions.
- 3 Delete everything after the enacting clause and insert the following:
- 4 SECTION 1. [EFFECTIVE JULY 1, 2003] (a) **This SECTION**
- 5 **applies to a member of the 1977 police officers' and firefighters'**
- 6 **pension and disability fund (1977 fund) who:**
- 7 (1) **first became a member of the 1977 fund after December 31,**
- 8 **1993, and before October 1, 1996;**
- 9 (2) **was at least thirty-six (36) years of age at the time the**
- 10 **member first became a member of the 1977 fund; and**
- 11 (3) **will not accrue twenty (20) years of service credit in the**
- 12 **1977 fund before the member reaches the mandatory**
- 13 **retirement age established by the member's employer.**
- 14 (b) **In addition to the service credit that a member earns through**
- 15 **active service, before a member retires the member may purchase**
- 16 **the additional amount of service credit needed for the member to**
- 17 **retire with a full unreduced benefit by making contributions to the**
- 18 **1977 fund equal to the product of the following:**
- 19 (1) **The salary of a first class patrolman or firefighter,**
- 20 **whichever is applicable, at the time the member makes the**
- 21 **contribution.**
- 22 (2) **Twenty-seven percent (27%).**

1 **(3) The number of years of service credit the member intends**
2 **to purchase.**

3 **(c) The following apply to the purchase of service credit under**
4 **this SECTION:**

5 **(1) The service credit allowed is limited to the amount**
6 **necessary, when added to the member's active service, for the**
7 **member to accrue twenty (20) years of service credit in the**
8 **1977 fund by the time the member reaches the mandatory**
9 **retirement age established by the member's employer.**

10 **(2) The member may pay the amount determined in subsection**
11 **(b) as:**

12 **(A) a lump sum; or**

13 **(B) a series of payments determined by the public employees'**
14 **retirement fund (PERF) board, not to exceed five (5) annual**
15 **payments, plus interest over the period of the payments at a**
16 **rate determined by the actuary for the 1977 fund.**

17 **(3) A member may not use the service credit unless the**
18 **member has made all payments required for the purchase of**
19 **the service credit.**

20 **(4) To the extent permitted by IC 36-8-8-18, a member may**
21 **use:**

22 **(A) a rollover distribution; or**

23 **(B) a trustee to trustee transfer;**

24 **to purchase service credit under this SECTION.**

25 **(d) If a member terminates employment before satisfying the**
26 **eligibility requirements necessary to receive a monthly benefit**
27 **under IC 36-8-8, the PERF board shall return the purchase**
28 **amount, plus accumulated interest, in accordance with IC 36-8-8-8.**

29 **(e) A member's employer may adopt an ordinance to pay all or**
30 **part of the member's contributions required for the purchase of**
31 **service under this SECTION.**

32 **(f) This SECTION expires December 31, 2007.**

(Reference is to ESB 523 as printed April 3, 2003.)

Conference Committee Report
on
Engrossed Senate Bill 523

Signed by:

Senator Server
Chairperson

Representative Avery

Senator Lutz L

Representative Buell

Senate Conferees

House Conferees